

107TH CONGRESS  
1ST SESSION

# S. 152

To amend the Internal Revenue Code of 1986 to eliminate the 60-month limit and increase the income limitation on the student loan interest deduction.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 23, 2001

Mr. GRASSLEY (for himself and Mr. BAUCUS) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to eliminate the 60-month limit and increase the income limitation on the student loan interest deduction.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ELIMINATION OF 60-MONTH LIMIT AND IN-**  
4 **CREASE IN INCOME LIMITATION ON STU-**  
5 **DENT LOAN INTEREST DEDUCTION.**

6 (a) ELIMINATION OF 60-MONTH LIMIT.—

7 (1) IN GENERAL.—Section 221 of the Internal  
8 Revenue Code of 1986 (relating to interest on edu-  
9 cation loans) is amended by striking subsection (d)

and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) CONFORMING AMENDMENT.—Section 6050S(e) of such Code is amended by striking “section 221(e)(1)” and inserting “section 221(d)(1)”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 2000, in taxable years ending after such date.

(b) INCREASE IN INCOME LIMITATION.—

(1) IN GENERAL.—Section 221(b)(2)(B) of the Internal Revenue Code of 1986 (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) the excess of—

“(I) the taxpayer’s modified adjusted gross income for such taxable year, over

“(II) \$50,000 (twice such dollar amount in the case of a joint return), bears to

“(ii) \$15,000.”.

(2) CONFORMING AMENDMENT.—Section 221(g)(1) of such Code is amended by striking

1 “\$40,000 and \$60,000 amounts” and inserting  
2 “\$50,000 amount”.

3 (3) EFFECTIVE DATE.—The amendments made  
4 by this subsection shall apply to taxable years end-  
5 ing after December 31, 2000.

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